

Members

Sen. Morris Mills, Chairperson
Sen. Joseph Harrison
Sen. James Lewis
Sen. Cleo Washington
Rep. Robert Bischoff
Rep. Thomas Kromkowski
Rep. Richard Mangus
Rep. Ralph Foley
Kenneth Stoughton
The Honorable David Dreyer
Karen Kennelly



PUBLIC OFFICERS COMPENSATION STUDY COMMITTEE

LSA Staff:

Robert Rudolph, Attorney for the Committee
Susan Preble, Fiscal Analyst for the Committee

Authority: P.L. 39-1999 (HEA 1150)

**Legislative Services Agency
200 West Washington Street, Suite 301
Indianapolis, Indiana 46204-2789
Tel: (317) 232-9588 Fax: (317) 232-2554**

MEETING MINUTES¹

Meeting Date: October 27, 1999
Meeting Time: 10:00 A.M.
Meeting Place: State House, 200 W. Washington
St., Room 431
Meeting City: Indianapolis, Indiana
Meeting Number: 3

Members Present: Sen. Morris Mills, Chairperson; Sen. Joseph Harrison;
Sen. James Lewis; Sen. Cleo Washington; Rep. Robert
Bischoff; Rep. Thomas Kromkowski; Rep. Richard Mangus;
Rep. Ralph Foley; Kenneth Stoughton; The Honorable David
Dreyer; Karen Kennelly.

Members Absent: None.

The Chair, Senator Mills, convened the meeting at approximately 10:07 a.m.

The Chair asked Committee members what their preference was regarding establishing a compensation commission. Should a commission be advisory only (as embodied in PD 3451), or should it have the authority to set the salaries of public officers subject to the authority of the General Assembly to void a commission salary rule (as described in PD 3449)?²

1. Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

2. A copy of PD 3449 and a copy of PD 3451 are Exhibit 1 and Exhibit 2, respectively, to these Minutes.

Representative Kromkowski said that an advisory commission would have the characteristics of an interim study committee. He said that during his time of service in the General Assembly, he had served on and observed interim committees that were not very effective, in part because they had no real authority. He observed that legislators had not had a salary adjustment since 1984 and that a pay increase should be a political issue only if it is outlandish. Under PD 3449, the General Assembly would have ultimate authority to correct a salary rule that is unreasonable. Representative Kromkowski said he favored PD 3449.

Judge Dreyer said that although he holds public office, he views his service on the Committee as a lay person. He summarized the discussion he had heard in Committee as being that public officers should have fair consideration given to regular salary increases in a manner that maintains the confidence of the public in the process. Judge Dreyer said that he favored PD 3449, commenting that he feared that recommendations of an advisory body would not be implemented.

Mr. Stoughton said he favored PD 3449.

Ms. Kennelly said she favored PD 3449 because she was also concerned that an advisory body would not be effective.

Senator Lewis said he favored PD 3449 because a salary commission should be effective.

Upon being questioned, staff explained the process by which a salary rule would take effect under PD 3449. Staff distributed a chart that compared the schedule of the long and short session of the General Assembly, with the events that would occur with a salary commission as contemplated under PD 3449 and with an advisory commission described in PD 3451.³ The Chair recommended that if the Committee adopted PD 3449, all salary rules should take effect in January of odd-numbered years. After a brief discussion, there appeared to be a Committee consensus on the Chair's recommendation.

Senator Harrison said he favored PD 3449.

Representative Bischoff said that he did not favor either draft because he feared that under either scenario, the General Assembly's responsibility to set the salaries of public officers would be diminished.

Senator Mills responded that he believes that a salary commission should do more than set the salaries of the various public officials. He said that a group of individuals must spend some time to study what the appropriate market for judges is, for example, based on a thorough understanding of what the job entails. He said a commission could develop such information which would be helpful to the General Assembly. Senator Mills suggested that the public has lost sight of what work is really involved in serving in the General Assembly. He said he hoped that if a commission is created, it would define the scope of work of each job which would help the public better understand any salary recommendations.

3. A copy of the chart is Exhibit 3 to these Minutes.

In response to a question regarding the authority of a commission as embodied in PD 3449 to set other elements of compensation, such as pension benefits, staff told Committee members that PD 3449 would permit a commission to consider all aspects of compensation and make any recommendations the commission thinks appropriate, but the commission has authority to adopt rules pertaining only to salaries. Senator Harrison observed that adjustment of salaries will always have an effect on other aspects of compensation, describing the effects on the pension systems as an example.

Representative Mangus said he could support either draft, but only if the General Assembly makes immediate adjustments to legislative salaries.

Representative Foley said that his first preference is for an advisory commission. He thinks a commission would be valuable for the objective analysis it would provide to the General Assembly, but the General Assembly must be the body to make the decisions.

Senator Washington commented that the failure of the General Assembly to increase its salary is due to a lack of public understanding about the jobs of judges, legislators, and other public officials. He said the result is a political paranoia over the ostentatious outrage that political opponents will express if salary adjustments are made. Senator Washington made comparisons of Indiana public official salaries with other states, saying Indiana's salaries were inadequate. Senator Washington concluded by saying he favored PD 3449 because a commission will restore integrity to the process of setting public official salaries.

The Committee reviewed and discussed a chart that projected the salaries of various public officers from the time the most recent pay raise was given had those salaries been adjusted each year using the Consumer Price Index.⁴ There was discussion as to whether the Consumer Price Index was the most appropriate index to inflate salaries. Senator Mills conceded that personal income in Indiana may have increased faster than the Consumer Price Index, but added he was not very concerned about extreme precision at this point; he thinks the Committee should recommend an increase in public official salaries and if a commission is created, the commission will have the time and research to more accurately set appropriate salaries.

Senator Mills said he believes the Committee should make a policy statement that the Governor, being the chief executive officer of the state, should be paid more than any other state official. Senator Washington observed that judges must be drawn from a more specialized market which would justify paying appellate court judges more than the Governor. Other Committee members gave examples of other state employees who are paid more than the Governor. Senator Washington suggested that the Attorney General should be paid as much as the trial court judges. A majority of the Committee expressed agreement that the Committee should recommend that the Governor not be paid less than any other state officer and that the Committee's Final Report should contain that recommendation.

A motion was made and seconded to recommend that the General Assembly enact a bill based on PD 3449 with the effective dates of salary rules to be changed as previously recommended by the Chair. The Committee vote was 9 members in favor of the

4. A copy of the chart is Exhibit 4 to these Minutes.

Public Officers Compensation Study Committee

October 27, 1999

Page 4

recommendation and 2 members opposed to the recommendation as follows:

In favor: Senator Mills, Senator Harrison, Senator Lewis, Senator Washington, Representative Kromkowski, Representative Mangus, Mr. Stoughton, Judge Dreyer, and Ms. Kennelly.

Opposed: Representative Bischoff and Representative Foley.

The Chair instructed staff to draft a bill to adjust the salaries of public officials, effective January 2001 to the following amounts:

Governor:	\$135,000
Lt. Governor:	\$ 76,000 ⁵
Secretary of State	\$ 69,000
Auditor of State	\$ 69,000
Treasurer of State	\$ 69,000
Attorney General	\$ 83,000
Superintendent of Public Instruction	\$ 83,000
Clerk of the Courts	\$ 62,000
Chief Justice of the Supreme Court	\$130,000
Other Supreme Court Justices	\$128,000
Chief Judge of the Court of Appeals	\$125,000
Other Judges of the Court of Appeals	\$122,000
Trial Court Judges	\$ 97,000
Members of the General Assembly	\$ 19,000
Legislator out-of-session per diem	\$ 34

A motion was made and seconded to recommend the General Assembly to enact such a bill. The Committee vote was 10 members in favor of the recommendation and 1 member opposed to the recommendation as follows:

In favor: Senator Mills, Senator Harrison, Senator Lewis, Senator Washington, Representative Kromkowski, Representative Mangus, Representative Foley, Mr. Stoughton, Judge Dreyer, and Ms. Kennelly.

Opposed: Representative Bischoff.

5. The Lieutenant Governor's salary is scheduled to be increased to this amount effective January 2001. The Committee did not recommend increasing this amount because as noted during the meeting, if the legislator salary is increased, the Lieutenant Governor will receive the same increase under Article 5, Section 23 of the Indiana Constitution.

A motion was made and seconded that the Committee approve the draft Final Report as previously submitted to Committee members with staff instructed to reflect the Committee's actions at this meeting in the report. The Committee adopted the motion by a vote of 10 members in favor and 1 member opposed as follows:

In favor: Senator Mills, Senator Harrison, Senator Lewis, Senator Washington, Representative Kromkowski, Representative Mangus, Representative Foley, Mr. Stoughton, Judge Dreyer, and Ms. Kennelly.

Opposed: Representative Bischoff.

The Chair adjourned the meeting at approximately 11:30 a.m.